

THURSTON COUNTY, WASHINGTON
January 1, 1994 Through December 31, 1994

Schedule Of Findings

1. Public Funds Were Misappropriated From Thurston County District Court

Prior to our annual examination, Thurston County officials notified the office of State Auditor that sometime during the period March 17, 1995, to March 20, 1995, a theft occurred at the criminal traffic-cashier's operations area of the District Court of Thurston County. Our examination of the financial records of the District Court revealed that \$3,132 in public funds, of which \$1,000 was anonymously returned by mail, was misappropriated apparently by an unknown county employee or employees. There were no federal funds involved in this case.

RCW 9A.56.030 states in part:

- (1) A person is guilty of theft in the first degree if he commits theft of:
 - (a) Property of services which exceed(s) one thousand five hundred dollars in value . . .
- (2) Theft in the first degree is a class B felony.

The theft was made possible by the existence of the following weak internal control procedures in the District Court:

- a. The court did not have a locked drawer policy. Cash drawers were kept open during working hours and keys were kept loose inside the drawer.
- b. Cashiers, managers, and fill-in cashiers had access to all cash drawers and customarily used and receipted transactions for all drawers.
- c. Cashiers did not reconcile deposits to the cash journal and did not close out deposits nightly or at the end of each cashier's work shift. Management did not verify each deposit or remove them from the cashier's possession in a timely manner. This function was normally performed during the morning of the next work day.
- d. The safe was not properly secured during business hours.
- e. Deposits were not always made timely.

After the theft occurred the District Court strengthened many of the internal control weaknesses that allowed this misappropriation of public funds to occur.

Thurston County is self-insured for any dishonest acts committed by its employees.

We recommend the Thurston County Sheriff's Office continue its ongoing investigation as deemed necessary and cost effective and report their results to the Thurston County Prosecuting Attorney's Office for their review and action. Any compromise or settlement of this claim must be approved in writing by the Attorney General and State Auditor as directed by RCW 43.09.260.

We also recommend the Thurston County District Court review the overall accounting controls for the cash receipting and revenue collection process, correct the weaknesses outlined above, and implement an effective system of internal controls designed to ensure the protection of public funds.

We further recommend the Washington State Office of the Attorney General and the Thurston County Prosecuting Attorney review this matter and take whatever action is deemed necessary under the circumstances.